

**YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION
COMMUNITY DEVELOPMENT QUOTA
FOURTH QUARTER REPORT
FOR THE PERIOD OCTOBER 1 – DECEMBER 31, 2004**

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(*Confidential*)

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(*Confidential*)

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YDFDA NEWSLETTERS AND ANNOUNCEMENTS

I. QUARTERLY HIGHLIGHTS: October – December 2004

October 2004

- Submitted 2006-2008 CDP Application to the State of Alaska
- YDFDA sponsored GPS and Navigation classes in Alakanuk and Emmonak
- Met with Alaska Works Partnership and Lower Yukon School District to provide feedback on the Construction Training Academy and review comments and results from instructors and students
- Participated in the ANPA Job Fair during AFN week
- Participated in the Long Beach International Seafood Show marketing Yukon salmon products
- YDFDA's web site completed
- Attended NPFC Meetings in Sitka
- M/V Golden Alaska returned to Seattle after completing B Season
- F/V Lisa Marie fishing for sablefish and king crab

November 2004

- YDFDA's first ever annual report completed
- YDFDA Board of Directors and CDP Meetings with the State in Anchorage
- Participated in the Professional Development Conference roundtable to talk about the Training Academy partnership with AWP and LYSD
- F/V Lisa Marie fishing for sablefish and king crab

December 2004

- YDFDA Board of Directors and CDP Meetings with the State in Anchorage
- YDFDA Board Training
- Village Representative Training
- Traveled with American Seafoods to St. Mary's, Pilot Station, Marshall, Russian Mission, Holy Cross and Grayling recruiting for 2005 A Season.
- Convened a meeting of the IEDC Committee
- Sponsored the AK SBDC where 11 participants from the villages of Emmonak, Nunam Iqua, Mountain Village and St. Mary's participated at the SMART Center in St. Mary's
- Awarded Regional Marketing Grant
- M/V Lisa Marie fishing for Dungeness crab

II. COMMUNITY DEVELOPMENT

A. PROGRESS TOWARD GOALS, OBJECTIVES, MILESTONES

PROPOSED FOR-PROFIT PROJECTS

ADDITIONAL INVESTMENT IN GOLDEN ALASKA

1. Provide a minimum return on investment of 8%.

See Confidential Issues.

2. Acquire additional mothership pollock quota.

See Confidential Issues.

3. Add at least one job on each catcher vessel and increase positions on Golden Alaska.

No additional quota has been acquired; therefore there is no activity on this milestone.

4. Increase the production and profitability of the original Golden Alaska investment.

See confidential issues.

CRAB/COD CATCHER PROCESSOR

5. Provide an 8% minimum return on investment.

See Confidential Issues.

6. Provide up to 12 positions for YDFDA residents.

See Confidential Issues.

7. Harvest CDQ and non-CDQ Pacific cod and crab.

See Confidential Issues.

8. Produce operating efficiencies from operating with C/P Baranof.

See Confidential Issues.

JOINT VENTURE CRAB VESSEL(S)

9. Provide an 8% minimum return on investment.

See Confidential Issues.

10. Provide 2-4 fishing positions for YDFDA residents.

See Confidential Issues.

JOINT VENTURE LONGLINE C/P VESSEL

11. Provide an investment return of a minimum of 8%.

See Confidential Issues.

12. Provide 2 – 4 crew member positions for YDFDA residents.

See Confidential Issues.

13. Assure long-term career employment for qualified Yukon Delta residents.

See Confidential Issues.

SHORESIDE POLLOCK INVESTMENT

14. Provide a minimum return on investment of 8%.

See Confidential Issues.

15. Provide jobs on each catcher vessel plus opportunity for jobs at shoreside plants.

See Confidential Issues.

16. Acquire additional non-CDQ pollock quota.

See Confidential Issues.

17. Diversify pollock investment to other sectors.

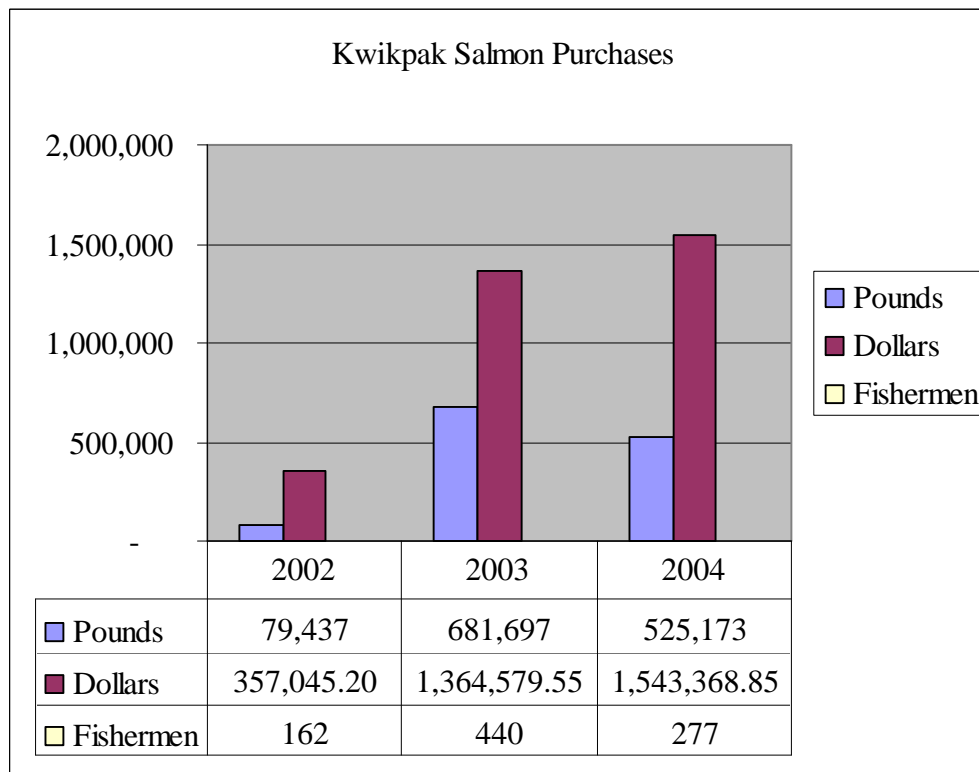
See Confidential Issues.

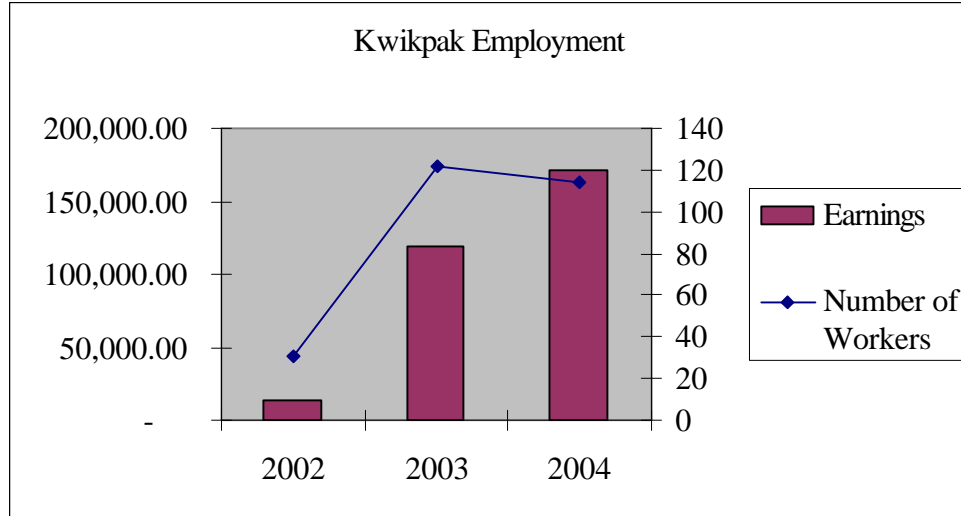
ACTIVE FOR-PROFIT PROJECTS

MAJOR FISH BUYER ON THE YUKON

18. Kwikpak Fisheries acquired land and buildings from Yukon Delta Fish Marketing Co-op (YDFMC) through foreclosure in June 2004. This has provided Kwikpak Fisheries with waterfront facilities in Emmonak as a base of operations. Purchased salmon at Emmonak, Kotlik and Mountain Village. YDFDA will further assess operations to determine the extent and type of investment in this processing facility. Kwikpak Fisheries further developed the plan to integrate the Emmonak operations with the purchase of fish out of Kotlik and Mountain Village. A covered steel barge was purchased for use as a buying station. This barge was utilized at Mountain Village as a buying station to address concerns from residents of district Y2 of the Yukon regarding the lack of commercial markets. YDFDA continues to negotiate with the Co-op for the possible purchase of additional assets. YDFDA continues working to develop a domestic market for Yukon king salmon which would support a high end ex-vessel price to Yukon fishermen.

Kwikpak Fisheries has had a major impact on the lives of our residents. The following charts show the number of people impacted either as fishermen or Kwikpak employees and the dollars infused into the local economy over the last 3 seasons.





For additional details, [see Confidential Issues](#).

INVESTMENT IN GASLLC, LLC

19. Provide ownership in M/V Golden Alaska on risk free basis.

Purchase of ownership in M/V Golden Alaska is financed through a non-recourse note that is payable from profits of the M/V Golden Alaska.

20. Arrange for harvest processing of CDQ Pollock at a competitive royalty.

See Financial Statements

21. Provide a minimum of 25 processor jobs on Golden Alaska during A Season.

24 Yukon Delta residents were aboard the Golden Alaska during the first quarter. 12 were first time trainees, 12 were returning crew. We are very proud of the fact that our entire crew of 24 stayed on the boat for the entire season.

22. Provide a minimum of 15 processor jobs on Golden Alaska during B Season.

15 Yukon Delta residents were aboard the Golden Alaska during the second quarter. 12 were first time trainees, 3 were returning crew.

13 Yukon Delta residents were aboard the Golden Alaska during the third quarter. 12 were continuing from the second quarter and 1 was a first time trainee.

4 residents were aboard the Golden Alaska during the fourth quarter. All 4 were continuing from the third quarter.

23. Provide 1 – 2 jobs on non-YDFDA owned catcher vessels fishing for Golden Alaska.

1 resident was aboard the F/V Vanguard as a first time trainee during the first quarter. He did not work in the second quarter, but we are reporting wages earned in the first quarter below.

Crew shares earned to date: \$22,386.51

YDFDA Training wages to date: \$11,193.26

NOTE: Training wages are included in crew shares.

F/V LISA MARIE

24. Provide 2 – 3 permanent fishing positions for Yukon Delta residents.

4 Yukon Delta residents were aboard the F/V Lisa Marie during the first quarter. 3 were first time trainees, 1 was returning crew.

4 Yukon Delta residents were aboard the F/V Lisa Marie during the second quarter. 2 were first time trainees, 2 were returning crew.

3 Yukon Delta residents were aboard the F/V Lisa Marie during the third quarter. 1 was a first time trainees, 2 were returning crew.

11 Yukon Delta residents were aboard the F/V Lisa Marie during the fourth quarter. 8 were first time trainees, 3 were returning crew.

25. Provide Yukon Delta residents with long-term crew shares.

Crew shares earned to date: \$157,467.04

YDFDA Training wages to date: \$60,531.34

26 Return an annual profit of \$100,000.

The F/V Lisa Marie is expected to exceed its annual profit goals. Please see Confidential Issues.

27. Harvest CDQ crab, halibut, sablefish and IFQ halibut and sablefish.

In the 1st and 2nd quarters the F/V Lisa Marie harvested CDQ opilio crab and IFQ and CDQ sablefish. At the end of the 2nd quarter it was preparing to fish Halibut IFQ and CDQ quota.

In the 3rd quarter the F/V Lisa Marie harvested IFQ and CDQ halibut and sablefish.

In the 4th quarter the F/V Lisa Marie harvested CDQ sablefish and CDQ king crab out of Dutch Harbor and Dungeness crab in state waters off of Oregon. Please see Confidential Issues.

INVESTMENT IN ALAKANUK BEAUTY, LLC & EMMONAK LEADER, LLC

28. Provide a minimum rate of return of 10% to YDFDA.

Please see Confidential Issues.

29. Provide 2 – 4 catcher vessel jobs for residents.

1 resident was aboard the F/V Ocean Leader as returning crew
1 resident was aboard the F/V American Beauty as returning crew
The crewman that has been an intern on the F/V American Beauty for the past few years has now been integrated into the regular crew rotation as a full time crewman with full crew share.

Crew shares earned to date: \$166,481.31
YDFDA Training wages to date: \$60,339.70
NOTE: Training wages are included in crew shares.

30. Harvest a portion of YDFDA's pollock CDQ

The F/V American Beauty, and F/V Ocean Leader harvested over 40% of YDFDA's "B" Season CDQ pollock quota by the end of September.

31. Build long-term, non-CDQ access to Bering Sea resources.

The majority of the harvest and income for these vessels is derived from their catch history and the American Fisheries Act. Each has a long term history of approximately 6% of the offshore mothership quota and smaller amounts of shoreside Pollock. Their entire "B" season CDQ and AFA quotas were harvested during the third quarter.

ROMANZOF FISHERIES, LLC

32. Provide a minimum return on investment of 10%.

Please see Confidential Issues.

33. Provide up to 1-2 positions to YDFDA residents.

We continued our attempt to recruit people from both CDQ and non-CDQ villages. We have found it difficult to find residents interested in non-pollock processing job opportunities.

34. Help ensure that 100% of CDQ Pacific cod, crab and sablefish are harvested.

The C/P Baranof harvested open access cod, CDQ Pacific cod and Bristol Bay Red King Crab in the 4th quarter

35. Harvest non-CDQ Pacific cod, crab and sablefish.

In the 4th quarter, the C/P Baranof fished CDQ after open access Pacific cod when it opened the 5th of December

IFQ SHARE PURCHASES

36. Purchase sablefish and halibut IFQ shares.

YDFDA continues to look for opportunities to purchase additional IFQ shares. In the 2nd quarter we purchased 4A and 4D IFQ Halibut class “A” quota shares.

37. Provide additional royalty income to YDFDA which will provide a minimum of 6% return on investment.

F/V Lisa Marie fished IFQ halibut and sablefish in the 2nd and 3rd quarters. The F/V Lisa Marie fished CDQ sablefish, king crab and Dungeness crab in the 4th quarter. See confidential section for financial information.

38. Provide increased fishing time and vessel profits to Lisa Marie and/or the C/P Baranof that in turn provides longer fishing time for residents.

F/V Lisa Marie fished IFQ and CDQ halibut and sablefish in the 3rd quarter with 3 residents onboard.

F/V Lisa Marie fished CDQ sablefish and king crab in the 4th quarter with 11 residents aboard.

PROPOSED NON-PROFIT PROJECTS

CULTURAL TOURISM – FISH CAMP EXPERIENCE

39. Contact adventure tour and specialty tour companies like Alumni Association Tours. Seek advice and support from Alaska Wilderness Recreation and Tour Association. Complete marketing analysis (likely to be contracted out to consultant familiar with remote tour operations). Identify willing residents and support staff. Select fish camp sites. Develop a business plan that integrates marketing, accommodations,

transportation and other cultural activities. Develop a web site. Provide training for staff and host families.

During the month of June, McDowell Group representatives visited the villages of Emmonak, Nunam Iqua, St. Mary's, Grayling, Anvik and various surrounding fish camps in the areas. The purpose of the on site visits was to familiarize themselves with the Yukon Delta area, its people, culture and the infrastructure capacities of each community. Their findings will be part of the feasibility study which is scheduled to be completed in September.

In September, Phase I of the feasibility study was completed. This report assessed the market for tourism opportunities in the Yukon Delta area. The scope of the study was expanded from its original scope as a cultural camp feasibility study to a broader examination of cultural tourism potential. Phase II of the feasibility study is currently being developed and will be completed in November.

In early December, an oral presentation of Phase II of the feasibility study was presented to the Board of Directors by the McDowell Group. The report focused on several key factors that YDFDA must consider prior to embarking on tourism development. The Phase II draft study will be made available to staff at the end of December for review, and the final report will be made available in the 1st quarter of 2005.

VESSEL SAFETY AND NAVIGATION

40. Provide Vessel Safety, First Aid and Navigation Training annually to 30 Yukon Delta residents.

Navigation course were held in Mtn. Village and Kotlik during the first quarter, arrangements were made to hold classes in Alakanuk, Emmonak and Nunam Iqua during the second quarter, however due to scheduling, classes have been postponed until the fourth quarter.

GPS and navigation classes were held in Alakanuk and Emmonak in the fourth quarter. A hand held GPS was given to everyone who attended the class. Seven residents participated from Emmonak and fourteen residents participated from Alakanuk.

41. On a bi-annual basis provide vessel operator safety (CPR) re-certification.

In the third quarter first aid classes were provided by the Yukon Kuskokwim Health Corporation. 32 residents took advantage of this course. The classes were held in Emmonak and Alakanuk.

SAFFRON COD TEST FISHERY

42. Obtain state waters experimental fishing permit. Harvest 500 pounds. Identify a market and send out samples.

Due to market analysis that showed it would not be profitable for fishermen to harvest saffron cod, YDFDA is exploring other species that may be more economical to harvest. Fishermen have been contracted requesting samples of various whitefish, clams, shrimp and snails for market analysis.

ACTIVE NON-PROFIT PROJECTS

COMPREHENSIVE JOBS

43. Place 85 Yukon Delta residents in jobs in offshore fisheries.

1st Quarter

24 residents were aboard the M/V Golden Alaska processing Pollock
1 resident was aboard the F/V American Beauty fishing for Pollock
1 resident was aboard the F/V Ocean Leader fishing for Pollock
1 resident was aboard the F/V Vanguard fishing for Pollock
4 residents were aboard the F/V Lisa Marie fishing for crab and sablefish
3 residents were aboard the F/T Seafreeze processing cod
2 residents worked at Westward Seafoods' shorebased facility processing crab

2nd Quarter

15 residents were aboard the M/V Golden Alaska processing Pollock
1 resident was aboard the F/V American Beauty fishing for Pollock
1 resident was aboard the F/V Ocean Leader fishing for Pollock
4 residents were aboard the F/V Lisa Marie fishing for sablefish
6 residents worked at Peter Pan's Dillingham plant processing salmon
2 residents worked at CVRF's Quinhagak plant processing salmon

3rd Quarter

13 residents were aboard the M/V Golden Alaska processing Pollock
1 resident was aboard the F/V American Beauty fishing for Pollock
1 resident was aboard the F/V Ocean Leader fishing for Pollock
3 residents were aboard the F/V Lisa Marie fishing for IFQ and CDQ halibut and sablefish
5 residents worked at Peter Pan's Dillingham plant processing salmon
6 residents participated in the Norton Sound Crab fishery
3 residents were aboard the F/T Seafreeze; 2 processing cod; 1 in housekeeping

4th Quarter

4 residents were aboard the M/V Golden Alaska processing Pollock
1 resident was aboard the F/V American Beauty fishing for Pollock
1 resident was aboard the F/V Ocean Leader fishing for Pollock

- 11 residents were aboard the F/V Lisa Marie fishing for sablefish, king crab and Dungeness crab
- 2 residents were aboard the F/V Seafreeze processing cod

VOCATIONAL TRAINING

44. Provide 20 Yukon Delta residents with vocational training.

- 3 residents graduated from vocational training programs at AVTEC.
- 1 resident is enrolled in a carpenter's apprenticeship at Southern Alaska Carpenters Training in Anchorage (1st qtr).
- 1 resident took flight training at Yuut Yaqungviat Flight Training in Bethel (1st qtr).
- 1 resident took heavy equipment training at Northern Industrial Training in Palmer
- 2 residents took construction training at the Center for Employment Education in Palmer (2nd qtr).
- 1 resident went to Anchorage to interview with Alaska Works Partnership

3rd Quarter

- 4 residents were enrolled in vocational training programs at AVTEC
- 17 residents participated in the Construction Training Academy in St. Mary's
- 1 resident is enrolled in vocational training at Seattle Central Community College

4th Quarter

- 3 residents continued vocational training programs at AVTEC
- 1 resident continued vocational training at Seattle Central Community College
- 1 resident continued flight training at Yuut Yaqungviat Flight Training in Bethel
- 1 resident is enrolled in vocational training at Trend Setters
- 1 resident is enrolled in vocational training at Aero-Tech Flight Service

45. Provide 1 training class for the Board of Directors.

YDFDA's annual Board of Directors training was held in December. The investment process for making a major investment was compared to buying a Yukon River salmon permit. Additional information can be found in Confidential Exhibit C.

46. Provide 1 training class for Village Representatives.

YDFDA's annual Village Representative training was held in December. Representatives from United States Seafoods, Golden Alaska Seafoods and the Division of Investments made presentations. Additional information can be found in Confidential Exhibit C.

SCHOLARSHIPS

47. Provide 20 residents with scholarships.

Eighteen scholarships were awarded in the first quarter, continuing in the second quarter.

Twenty scholarships were awarded in the third quarter, continuing in the fourth quarter. 14 were new students, 6 were continuing students.

Three scholarships were awarded in the fourth quarter. All 3 were new students.

48. Provide 10 residents with “B” scholarship (regional, non-CDQ residents)

One “B” scholarship was awarded in the first quarter.

One “B” scholarship was awarded in the second quarter.

One “B” scholarship was awarded in the third quarter.

49. Contribute \$200,000 annually (this is a \$50,000 increase) to Yukon Delta Education Fund (includes “B” Scholarship program)

See Confidential Issues.

50. Receive Fishery Tax Credit Contributions in excess of \$150,000.

See Confidential Issues.

INTERNSHIPS AND APPRENTICESHIPS

51. Place 6 residents as crew on catcher vessels.

3 residents participated in the catcher vessel internship program aboard the F/V American Beauty, F/V Ocean Leader and F/V Vanguard in the first quarter. 2 residents participated in the catcher vessel internship program in the second quarter.

4 residents participated in the catcher vessel internship program aboard the F/V Lisa Marie in the first quarter. 4 residents participated in the catcher vessel program aboard the F/V Lisa Marie in the second quarter. 2 were returning, 2 were new.

In the third quarter 2 residents continued in the catcher vessel internship program aboard the F/V American Beauty and F/V Ocean Leader. 3 residents participated in the catcher vessel internship program aboard the F/V Lisa Marie. 2 were returning, 1 was new.

In the fourth quarter 2 residents continued in the catcher vessel internship program aboard the F/V American Beauty and F/V Ocean Leader. 11 residents participated in the catcher vessel internship program aboard the F/V Lisa Marie. 8 were new, 3 were returning.

52. Place 3-5 residents as interns in private companies.

1 resident was employed as an advanced intern at Peter Pan Seafoods and Kwikpak Fisheries in Seattle.

1 resident was employed as an engine mechanic intern at J. Kimberly Service in Anchorage.

1 resident was employed as a HACCP intern at Icicle Seafoods' Bering Star in Dutch Harbor.

3 residents were employed by The Department of Fish and Game in Emmonak. They operated test net sites on the Yukon River.

1 resident was employed as an accounting intern for Kwikpak Fisheries in YDFDA's Seattle office.

RURAL DEVELOPMENT SPECIALIST

53 YDFDA's Rural Development Specialist works with the YDFDA Board of Directors, regional communities (tribal, city and village corporations) on issues ranging from local and regional planning, community and economic development projects and job training for private and public construction.

October

- Convened a meeting with Alaska Works Partnership and Lower Yukon School District to provide feedback on the Construction Training Academy and review comments and results from instructors and students
- Participated in the ANPA Job Fair during AFN week
- Participated in the Long Beach International Seafood Show by assisting with the marketing of Yukon salmon products

November

- Participated in the Professional Development Conference roundtable to talk about the Training Academy partnership with AWP and LYSD

December

- Convened a meeting of the IEDC committee
- Sponsored the AK SBDC where 11 participants from the villages of Emmonak, Nunam Iqua, Mountain Village, and St. Mary's participated at the SMART Center in St. Mary's
- Met with Jeannie Greene Productions to discuss marketing of Yukon salmon through a video production

ALUMINUM BOAT FABRICATION AND REPAIR

54. Continue to operate shop in Alakanuk for small vessel construction and repairs.

During the first three quarters the Alakanuk facility completed assembly of 6 new aluminum skiffs. In preparation for the upcoming salmon season, the shop concentrated on skiff repairs and repair and fabrication work at Kwikpak Fisheries facilities. Repairs were completed on 12 skiffs. Modification to the salmon buying platform and the steel barge “Sunshine VI”, were also completed.

During the Fourth quarter the Alakanuk facility began assembly of new aluminum skiffs for the summer 2005 season. One skiff was completed with another nearing completion at the end of the quarter. Additional aluminum was ordered during the quarter to facilitate the construction of an additional twelve skiffs to be built by June of 2005, this is in addition to the six skiffs already scheduled to be built. It is anticipated that eighteen skiffs will be manufactured prior to the opening of the 2005 salmon season.

55. Expand production to include aluminum ATV trailers and sleds.

Due to the overwhelming interest in the purchase of aluminum skiffs, skiff production has taken precedence over trailer and sled production. Two sleds were built and are currently being shown in the villages, feedback is being received. An aluminum ATV trailer was designed and purchased and is currently being shown in a couple of the communities to obtain feedback on the design and to gauge the amount of interest in that design. Sleds and trailers will only be built when purchase offers are received from customers.

56. Considering the leasing or building of a larger facility for vessel construction and repair.

YDFDA continues to lease a shop at Alakanuk for skiff production and repair. YDFDA has included in its 2006-2008 CDP a plan to build a welding shop and fishing support center in Alakanuk. On a trial basis, this winter, YDFDA will construct a small number of skiffs out of a shop at Emmonak that was obtained from the YDFM Co-op.

57. Provide employment for 1 – 4 welders annually depending upon demand.

3 residents were employed by the Alakanuk Shop during the 1st quarter. All 3 continued from previous quarters.

2 residents were employed by the Alakanuk Shop during the 2nd quarter. Both were continuing from previous quarters.

3 residents were employed by the Alakanuk Shop during the 3rd quarter. All 3 continued from previous quarters.

5 residents were employed by the Alakanuk Shop during the 4th quarter. 3 continued from previous quarters, 2 were new employees.

NORTON SOUND HERRING AND CRAB FISHERIES

58. Diversify local fishing from salmon into other fisheries.

YDFDA continues to attempt to diversify local fishing efforts from salmon to other fisheries. During the fourth quarter YDFDA had found another buyer for Arctic lamprey and had made arrangements for that fishery to be prosecuted from the villages of St. Mary's and Grayling. Due to the USFWS reviewing whether lamprey found along the west coast of the US should be protected under the Endangered Species Act the buyer backed out just as the season was commencing. YDFDA was not able to find an alternate market in time to prosecute the fishery. YDFDA, through Kwikpak Fisheries, continues to search for markets for Arctic lamprey in 2005 and for other undeveloped local species including whitefish, snails, shrimp and clams.

59. Help secure a market for 31 herring permit holders and 16 crab permit holders.

During the Fourth quarter YDFDA had preliminary talks with a herring processor to ensure YDFDA herring fishermen in Norton Sound would have a market for their herring in 2005. Those negotiations continue. YDFDA, working with NSEDC, ensured there was a market for fishermen from the Yukon participating in the commercial Norton Sound crab fishery in 2004, it is anticipated that those arrangements will be pursued in 2005.

60. Assist 4 resident herring fishermen in purchasing reels and shakers annually.

YDFDA has had preliminary talks to ensure that there is a market for herring the spring of 2005. YDFDA currently has a number of reels and shakers on hand at Emmonak to supply a limited amount of fishermen with reels and shakers. No additional reels and shakers are anticipated to be built or purchased until it becomes clearer that a commercial herring fishery is viable.

61. Assist resident crab fishermen in purchasing davits, blocks and pots.

[YDFDA outfitted two vessels with gear to participate in the commercial crab fishery following the Yukon River salmon season.](#)

During the fourth quarter YDFDA received calls from fishermen interested in fishing the 2005 Norton Sound crab fishery. If needed, YDFDA will assist in outfitting their vessels.

LOAN GUARANTEES

62. Familiarize residents with the risks and advantages of participating in YDFDA's loan guarantee program.

Due to recent changes within the Alaska Division of Investments which mandate that applicants apply first through the Commercial Fisheries and Agricultural Bank, the YDFDA Board of Directors will review YDFDA's loan policy to possibly extend the guarantee program to Commercial Fisheries and Agricultural Bank.

During the third quarter, notices were posted in the communities to familiarize residents with the YDFDA loan program.

63. Provide loan guarantees to qualified applicants for the purchase of Yukon River salmon, Cape Romanzof herring, and Norton Sound herring limited entry permits.

In the 4th quarter YDFDA provided a loan guarantee to 1 resident for the purchase of a YDFDA skiff and motor.

64. Provide loan guarantees to qualified applicants to purchase fishing gear and vessels.

YDFDA provided technical assistance to nine residents inquiring about our loan program for the purchase of vessels and equipment. A number of applicants are being considered by the Division of Investments for possible loans with guarantees from YDFDA.

TEST FISHERIES AND DEVELOPMENT

65. Work with fishermen to locally harvest CDQ halibut allocation by 2005.

With our newly expanded salmon operations taking up time and effort we felt it would be prudent to delay for a summer the exploration and development of a near shore halibut fishery. YDFDA is developing a plan so that during the summer of 2005 further exploration for a near shore halibut resource can occur.

66. Diversify local fishing from salmon into other species, including underutilized local species such as lamprey, cisco, in-river whitefish and shellfish.

YDFDA, through Kwikpak Fisheries, has contacted fishermen to provide samples of various whitefish, shrimp, snails and clams to research market acceptability. YDFDA continues to pursue a market for Arctic lamprey for the fall of 2005.

67. Provide employment to residents through fishing, processing and shipping of other species.

YDFDA continues to work to secure a market to provide commercial fishing opportunities for lamprey the fall of 2005. This would include employment by residents involved in packaging and shipping of the product.

68. Provide additional source of product to salmon buying operation

Due to the expansion of the salmon operations, no additional non salmon product was processed at the plant.

REGIONAL FISHERIES ECONOMIC DEVELOPMENT

69. Fund individuals, communities and organizations that promote development opportunities in the lower Yukon.

During the month of January, the Alaska Board of Fisheries met in Fairbanks to consider changes to the Yukon River salmon fisheries. Given the large investment made by YDFDA, through Kwikpak Fisheries in the Yukon River fishery, making sure that the fishery is able to continue without unreasonable restrictions is critical. Proposals had been submitted by some Yukon River users to severely limit the opportunity for a commercial fishery to proceed in the lower river, despite recent increases in the size of the runs.

YDFDA sponsored its board members and 7 resident fishermen to represent the commercial fishery at the Fairbanks meeting. The representatives testified at the meeting explaining the importance of the commercial fishery to the economy of the region, the fact that the fishery does not impact upriver users, and that the fishing techniques are not endangering the runs. The Board of Fisheries agreed with the comments made by the lower river fishermen and did not make any changes in the regulations governing the fishery.

While the fishery was discussed thoroughly at the January meeting, a petition was prepared by the Fairbanks Fish and Game Advisory Committee requesting reconsideration of their decisions during their February meetings in Anchorage. Again, YDFDA supported 7 resident fishermen to participate at this meeting to ensure that the voice of the lower Yukon was heard. Again, the Board rejected any changes to the fishery. Clearly, however, the issues surrounding the salmon runs in the Yukon will continue to be contentious in the future.

YDFDA made a donation to Alaska Business Development Center for tax preparers to travel to all 6 of our villages to help residents file tax returns.

In May, YDFDA made a donation to the Fish Defense Fund which would allow for an assessment of the impact of the interception of summer chum bound for Western Alaska including the Yukon.

In May we also funded YR DFA to provide teleconferences during the summer fishing season. These teleconferences enable ADF&G to get an assessment on run strength which facilitates the opening of commercial fisheries earlier.

YDFDA makes an annual contribution to village entities for local needs. Maximum annual contribution per village is \$2,500.

2004 Donations

Calista Elder's Council	\$1,250
Alakanuk Search & Rescue	\$2,250
Marvin Deacon, Grayling Wellness Counselor	\$2,500
Kotlik Yupik Corporation	\$1,125
Kotlik City Council	\$1,125
Emmonak Resource Committee	\$2,250
Mtn. Village Search & Rescue	\$2,000
Asa'sarsarmiut Dancers	\$250
Nunam Iqua School Natural Helpers	\$2,100

ACTIVE INFRASTRUCTURE PROJECTS

LOWER YUKON REGIONAL SALMON QUALITY

70. Provide ice machines and insulated fish totes to 4 villages on the lower Yukon River.

YDFDA purchased a covered steel barge, the Sunshine VI, to utilize as a buying station in Y2. This barge came equipped with an ice machine and chill room. To ensure quality was maintained throughout the season, YDFDA, through Kwipak Fisheries, installed a secondary ice machine on the barge which guaranteed product had adequate levels of ice throughout the harvesting and transportation processes. Fishermen utilized the previously purchased totes in the commercial fishery.

In the fourth quarter of 2003, YDFDA applied for and received a \$170,000 Fisheries Economic Development grant from the State of Alaska. This grant will be used to purchase equipment. During the second quarter of 2004, YDFDA, through Kwipak Fisheries, began the process of modifying a newly acquired building at Emmonak for the placement of this equipment when purchased. This equipment should enable Kwipak Fisheries to process chum salmon at a minimum expense. Any savings realized would be used to boost the ex-vessel price paid to fishermen for chum salmon. This may make it worthwhile for fishermen to once again target chum salmon.

71. Introduce and continue instructing salmon quality techniques to fishermen on the Yukon River.

Preseason village meetings were held in June with fishermen in Alakanuk, Emmonak, Kotlik and Mountain Village to review the importance of and techniques for delivering top quality salmon for sale. We also met preseason with fishermen from district Y2 of the Yukon in Pilot Station and St. Mary's to emphasize the importance of harvesting and delivering top quality salmon.

72. Build into Yukon Salmon Regional Marketing.

In February, Kwipak Fisheries received an Alaska Salmon Marketing Grant in the amount of \$197,000. The grant is to assist in the creation of new markets and product lines, product labeling, packaging and advertising.

With the King season over, marketing efforts focused on future sales and needed advertising materials. Work began on a web site which will allow Kwipak Fisheries to sell salmon at retail prices over the internet. We have arranged for a booth at both the International West Coast Seafood show in late October and the Boston Seafood show next spring.

Design work began on a Kwipak's logo/label and the final form was completed in late September. Work also began on creating a brochure and folder. These will be completed in October prior to the West Coast Seafood show in Long Beach, CA.

Customers who promoted Kwipak's Yukon Kings were very pleased with the product and the support given them. We have visited with Seattle area customers and have kept in contact with those in other areas of the country during the past two months. A number of grocery chains who came in too late for the 2004 season will be featuring Kwipak's Yukon Kings next year.

The primary focus for next season is to educate buyers as to why they should buy Kwipak's product and why our product is of higher quality.

Kwipak's marketing efforts for the fourth quarter included exhibiting at the International Long Beach Seafood Show, continued work on the website, completion of a professional brochure and media/information kit and beginning steps for a February national promotional for Yukon Kings using frozen fillets and H&G fish.

Long Beach was the first show Kwipak has exhibited at. Grilled Yukon Kings as well as the full array of smoked products were served to visitors at the booth. The product was very well received and, though this was a small show, contacts were made with several new customers as well as existing customers.

Kwipak's web site is near completion with only minor adjustments needed before it is ready to go "live". The site can be used for e-commerce or simply as an informational site or both. We have included information on the Lower Yukon area, the residents, culture and fish as well as nutritional and sustainability information.

Yukon Delta applied for a regional marketing grant funded by DCED and USDA. The region will include the area from the mouth of the river to the Canadian border. We worked in conjunction with YR DFA and Boreal Fisheries on the grant proposal. An award of \$20,000 was made to provide advertising materials that can be used by all buyers and processors on the river. YR DFA, Boreal and Kwipak have all committed

time as well as materials and photos that each will contribute to the project. Now that an award has been made, it is hoped that other buyers will take part in the project as well.

ACTIVE FUND/CASH MANAGEMENT PROJECTS

RESERVE FUND

73. To maintain Reserve Funds adequate to mitigate the effects of a downturn in the fishing industry, preserve capital, provide investment return and liquidity.

See Financial Statements.

74. At a minimum have one year's operational expenses covered by Reserve Fund.

See Financial Statements.

ADMINISTRATIVE EFFORTS

ADMINISTRATION BUDGET

75. YDFDA board review on a quarterly basis to ensure that Board and administration expenses remain below 20% of projected income (income defined as royalty, income from joint venture investments and investment income).

See Financial Statements.

76. YDFDA Board reviews administrative expenses on a quarterly basis and adjustments made as necessary to keep expenses below the 20% threshold.

See Financial Statements.

B. OUTREACH

YDFDA's scholarship program includes non-CDQ villages in the region. This includes non-CDQ villages on the Yukon River between Grayling and Mt. Village, which are included in the Lower Yukon and Iditarod School Districts. The Scholarship Committee met in August to approve scholarship recipients and approve minor changes to the scholarship policies.

In addition to scholarships, YDFDA is also accepting applications for employment in the fishing industry from non-CDQ villages on the lower Yukon River.

For the second year in a row, Kwikpak Fisheries donated salmon to the school lunch programs in the Lower Yukon and Iditarod School Districts.

In August the training and employment coordinator traveled to all villages giving recruiting presentations with US Seafoods representative.

In December, YDFDA and American Seafoods traveled to the CDQ and non-CDQ villages of St. Mary's, Pilot Station, Marshall, Russian Mission, Holy Cross and Grayling to recruit for the upcoming 2005 A season. Prior to our visits we sent out flyers giving the job description and requirements for American Seafoods. We met with the local tribal or city governments in each community to discuss the job opportunities. We received applications from several interested residents. Due to American Seafoods' strict hiring standards, some candidates were not eligible for hire either due to prior assault charges or the inability to pass a drug test. This is not an uncommon problem.

Yukon Delta applied for a regional marketing grant funded by DCED and USDA. The region will include the area from the mouth of the river to the Canadian border. We worked in conjunction with YRDFA and Boreal Fisheries on the grant proposal. An award of \$20,000 was made to provide advertising materials that can be used by all buyers and processors on the river. YRDFA, Boreal and Kwikpak have all committed time as well as materials and photos that each will contribute to the project. Now that an award has been made, it is hoped that other buyers will take part in the project as well.

Development of YDFDA's web page is now complete. It can be accessed at www.YDFDA.org. It provides information on YDFDA, its subsidiaries, employment and training opportunities and applications, and scholarship programs.

Here are some activities our Rural Development Specialist was involved with:

- Participated in a meeting with LYSD and AWP to evaluate the implementation of the Training Academy and plan for the 2005 session
- Participated in a CDP planning process
- Participated in the RurALCAP Foundation Board meeting
- Conducted a Small Business Workshop
- Participated in a statewide Job Fair

Our village representative program continues in all six villages, Alakanuk, Emmonak, Grayling, Kotlik, Mountain Village and Nunam Iqua. The village representatives work in the communities to provide information regarding employment opportunities and training positions. They also administer drug tests to applicants. They have applications and information for residents interested in the scholarship programs and loan applications from both the Division of Investments and the AVCP Revolving Loan Program.

Our Village Representatives met in December for their annual training. They heard presentations from representatives of United States Seafoods, Golden Alaska Seafoods and the Division of Investments.

YDFDA's newsletter, the "Yukon Drifter", is mailed to every household in member communities.

YDFDA's 2003 Annual Report was completed in the fourth quarter and sent to all residents.

Discussions continue with District Y2 fishermen to address the problems of marketing district Y2 salmon. We met with Y2 fishermen in Pilot Station and St. Mary's prior to the season to discuss problems associated with the marketing of Y2 fish and steps fishermen could take to ensure quality of product delivered for sale. YDFDA, through Kwikpak Fisheries, purchased all salmon offered for sale from district Y2 fishermen in June at our operations out of Mountain Village.

Post season we met again with district Y2 fishermen in St. Mary's to participate in discussions on options that would ensure a future market for Y2 fish.

The attached announcements were posted in the villages during the fourth quarter.

C. EMPLOYMENT

1. EMPLOYMENT DATA FORM – December 31, 2004

	4 th Quarter		Year-To-Date	
	People	Wages	People	Wages
Management/Administrative	9	\$162,695.38	9	\$562,808.12
Village Representatives	6	\$8,800.00	6	\$30,800.00
CDQ Pollock				
A Season		\$0.00	24	\$437,206.85
B Season	4	\$113,406.88	13	\$113,406.88
Other Fishing	15	\$173,416.11	40	\$359,055.69
Other Employment	17	\$34,222.36	122	\$258,912.04
Internships	1	\$3,420.00	6	\$39,266.45
Total of Rows	52	\$495,960.73	220	\$1,801,456.03
Total Unique Individuals	52	\$495,960.73	220	\$1,801,456.03

2. SUMMARY:

- ◆ Management/Administrative – 9
- ◆ Village Representatives – 6 (one from each of the six villages)
- ◆ CDQ Pollock – 4
- ◆ Other Fishing – 15
- ◆ Internships – 1

Other Employment

- ◆ YDFDA Welding Program – 5
- ◆ Kwikpak Fisheries – 12

NOTES TO EMPLOYMENT DATA FORM:

Management/Administrative – 9 employees working for YDFDA in Alakanuk, Anchorage, Emmonak, and Seattle. Six employees are or have been residents of YDFDA member villages.

Village Representatives - 6 residents representing YDFDA as Village Representatives, one in each member village.

CDQ Pollock – M/V Golden Alaska out of Dutch Harbor, AK
4 residents worked in the processing plant. All 4 were continuing crew.
Breakdown by village: 3 residents from Emmonak
 1 resident from Grayling

NOTE: Wages reported include third and fourth quarters.

Other Fishing – 15 residents Total

11 residents trained on YDFDA's F/V Lisa Marie fishing for sablefish and king crab out of Dutch Harbor, AK and Dungeness crab out of Oregon. 3 were returning crew, 8 were first time trainees.

Breakdown by village: 4 residents from Alakanuk
 3 residents from Emmonak
 1 resident from Grayling
 2 residents from Kotlik
 1 resident from Pitkas Point

1 resident continued as crew in a training program on Golden Alaska's catcher vessel F/V Ocean Leader. He was fishing for Pollock out of Dutch Harbor, AK.

1 resident continued as a crew in a full time position on Golden Alaska's catcher vessel F/V American Beauty. He was fishing for Pollock out of Dutch Harbor, AK.

Breakdown by village: 1 resident from Alakanuk
 1 resident from Emmonak

NOTE: Wages reported include third and fourth quarters.

2 residents worked aboard US Seafoods' Seafreeze. They were processing bottom fish out of Adak. Both were returning crew.

Breakdown by village: 1 resident from Alakanuk
 1 resident from Kotlik

Other Employment – 17 residents Total

5 residents were employed at YDFDA's welding facility in Alakanuk. 3 were continuing, 2 were first time employees.

Breakdown by village: 5 residents from Emmonak

12 residents were employed by Kwikpak Fisheries in Emmonak. All were returning employees.

Breakdown by village: 10 residents from Emmonak
2 residents from Kotlik

Internships – 1 resident Total

1 resident continued an accounting internship for Kwikpak Fisheries at YDFDA's Seattle office.

Breakdown by village: 1 resident from Emmonak

D. TRAINING

1. TRAINING DATA FORM – December 31, 2004

	4 th Quarter		Year-To-Date	
	People	Expenditure	People	Expenditure
Scholarships				
University of Alaska	16	\$0.00	26	\$72,500.00
Alaska Pacific University	1	\$0.00	1	\$5,000.00
Sheldon Jackson College	1	\$0.00	1	\$2,500.00
Other Institutes	6	\$9,954.80	9	\$23,454.80
Voc-Tech Classes				
AVTEC and Other Institutions	4	\$2,900.99	31	\$44,881.65
Other Training				
Fisheries Related – See Emp Sheet	8	\$24,751.00	62	\$74,513.93
Lisa Marie Training Wages	--	\$57,284.89	--	\$76,703.35
Catcher Vessel Training Wages	--	\$11,163.75	--	\$59,539.70
Interns	1	\$2,177.08	6	\$55,748.26
Other –Vessel Safety/Village Reps	27	\$18,301.81	86	\$26,929.29
Other Expenditures				
To Educational Institutes				
Educational Endowment Funds				
Other				
Total	64	\$126,534.32	222	\$441,770.98

2. SUMMARY

- ◆ Scholarships – 24
 - ◆ Voc - Tech Classes - 4
 - ◆ Fisheries Training Expenses – 8
 - ◆ Lisa Marie/Catcher Vessel Training Wages – People counted in Fisheries Training
 - ◆ Village Rep Exp/Vessel Safety/First Aid – 27 (Expense previously reported)
 - ◆ Internship - 1
- Total – 64

NOTES TO TRAINING DATA FORM:

Scholarships/Voc-Tech Classes - 28 Students Total

15 residents were enrolled at the University of Alaska under YDFDA's scholarship program.
All were continuing students.

Breakdown by village: 3 residents from Alakanuk
 4 residents from Emmonak
 1 resident from Graying
 3 residents from Mt. Village
 4 residents from Kotlik

1 resident was enrolled at the University of Alaska under YDFDA's "B" scholarship program.
Continuing student.

Breakdown by village: 1 Shageluk

1 resident was enrolled at Alaska Pacific University under YDFDA's scholarship program.
Continuing student.

Breakdown by village: 1 resident from Mtn. Village

1 resident was enrolled at Sheldon Jackson College under YDFDA's scholarship program.
Continuing student.

Breakdown by village: 1 resident from Emmonak

2 residents were enrolled at the University of Alaska under YDFDA's Yukon Delta Education Fund. Continuing students.

Breakdown by village: 1 resident from Emmonak
 1 resident from Kotlik

1 resident was enrolled at the Alaska Christian College under YDFDA's Yukon Delta Education Fund. Continuing student.

Breakdown by village: 1 resident from Alakanuk

1 resident was enrolled at Yuut Yaqungviat flight school under YDFDA's Yukon Delta Education Fund. New student.

Breakdown by village: 1 resident from Emmonak

1 resident was enrolled at Trend Setters beauty school under YDFDA's Yukon Delta Education Fund. New student.

Breakdown by village: 1 resident from Alakanuk

1 resident was enrolled at Aero-Tech Flight Service under YDFDA's Yukon Delta Education Fund. New student.

Breakdown by village: 1 resident from Kotlik

1 resident is currently enrolled in AVTEC's Business & Office Technology program in Seward, AK. New student.

Breakdown by village: 1 resident from Grayling

1 resident is currently enrolled in AVTEC's Facility Maintenance program in Seward, AK
New students.

Breakdown by village: 1 resident from Kotlik

1 resident is currently enrolled in AVTEC's Information Technology program in Seward, AK.
Continuing student.

Breakdown by village: 1 resident from Emmonak

1 resident is currently enrolled in an accounting program at Seattle Central Community College. Continuing student.

Breakdown by village: 1 resident from Emmonak

Fisheries Training – 8 residents total were involved in YDFDA's fisheries training program.
NOTE: Definition of training program is first time experience.

8 residents were aboard the F/V Lisa Marie as first time trainees fishing for sablefish, king crab and Dungeness crab.

Breakdown by village: 4 residents from Alakanuk
1 resident from Emmonak
2 residents from Kotlik
1 resident from Pitkas Point

Other Training - 27

21 residents participated in GPS and Navigation Classes in Alakanuk and Emmonak.

Breakdown by village: 14 residents from Alakanuk
7 residents from Emmonak

6 residents participated in the annual Village Representative Training in Anchorage.

Breakdown by village: 1 resident from Alakanuk
1 resident from Emmonak
1 resident from Grayling
1 resident from Kotlik
1 resident from Mtn. Village
1 resident from Kotlik

Internships - 1

1 resident continued an accounting internship for Kwipak Fisheries at YDFDA's Seattle office.

Breakdown by village: 1 resident from Emmonak

III. ADMINISTRATION

A. Board Activities

Changes in Membership: Annual elections were held in October.

Marvin Deacon from Grayling was elected to the at-large seat. There were no other changes in membership.

The Board of Directors met twice during the fourth quarter:

November 29 & 30, 2004 in Anchorage

December 15, 2004 in Anchorage

The Board of Directors annual training was held December 1, 2004

NOTE: Please see Confidential Exhibit C for minutes.

B. State of Alaska Reporting Compliance - None

C. CDP Amendment Status

Oct 1, 2004	04-10YD Transfer 40 MT Pollock to BBEDC pool
Oct 19, 2004	04-11YD Transfer Yellowfin/Rocksole & Misc to Flatfish Pool
Nov 9, 2004	04-12YD Transfer remaining 303 lbs. BBRKC to NSEDC
Nov 12, 2004	04-13YD Transfer 25 MT Alaska Plaice to APICDA
Nov 23, 2004	04-14YD Siberian Sea to Fish Plan
Dec 02, 2004	04-15YD Transfer of 33 MT P-cod from BBEDC
Dec 22, 2004	04-16YD One Observer Siberian Sea
Dec 28, 2004	04-17 YD Transfer of 30 MT to CVRF

D. Other Issues - None



HARVESTING ACTIVITIES

A. Pollock & Multi-species Harvest by Quarter/YTD Activities by Target Fishery

Fourth Quarter Summary Table of all target fisheries at Dec 31, 2004

MS CDQ / PSQ Account Status Report To December 31, 2004												
CDQ Group: YDFDA	Units	Initial Allocation Amount	Transferred In	Transferred Out	Allocation after transfers	CDQ / PSQ Catch Reported				YTD Harvest	Percent Harvested	Percent Remaining
CDQ Reserve Category						1st Qtr	2nd Qtr	3rd Qtr	4th Qtr			
BS Pollock	mt	20888.000		-40.000	20,848.000	8,332.615		12,515.243		20,847.858	100.00%	0.00%
Pacific Cod *	mt	3070.970		-117.000	2,953.970	868.045	842.277	354.004	789.704	2,854.030	96.62%	3.38%
BS FG Sablefish	mt	89.900			89.900	6.679	24.651	11.379	18.839	61.548	68.46%	31.54%
AI FG Sablefish	mt	65.100			65.100			6.274		6.274	9.64%	90.36%
BS Sablefish	mt	23.980		-16.000	7.980							100.00%
AI Sablefish	mt	12.180		-7.500	4.680							100.00%
WAI Atka Mackerel 543	mt	279.000		-270.000	9.000							100.00%
CAI Atka Mackerel 542	mt	419.940		-410.000	9.940							100.00%
EAI/BS Atka Mackerel 541	mt	151.740		-140.000	11.740	0.036	0.013	0.141	0.408	0.598	5.09%	94.91%
Yellowfin Sole	mt	1743.120		-1,700.000	43.120	8.462	7.229	2.135	0.610	18.436	42.76%	57.24%
Rock Sole	mt	707.250		-650.000	57.250	28.230	0.422	0.407	0.505	29.564	51.64%	48.36%
BS Greenland Turbot	mt	40.600		-21.000	19.600	0.169	1.633	0.934	0.445	3.181	16.23%	83.77%
AI Greenland Turbot	mt	11.400		-10.000	1.400			0.292		0.292	20.86%	79.14%
Arrowtooth Flounder	mt	198.000		-140.000	58.000	5.456	10.730	11.092	3.810	31.088	53.60%	46.40%
Flathead Sole	mt	285.000		-190.000	95.000	14.206	4.339	8.129	2.966	29.640	31.20%	68.80%
Other Flatfish	mt	58.500		-30.000	28.500	9.242	0.038	0.086	0.410	9.776	34.30%	65.70%
Alaska Plaice	mt	105.000		-100.000	5.000	0.004		0.031		0.035	0.70%	99.30%
BS Pacific Ocean Perch	mt	16.960		-14.000	2.960			0.001	0.015	0.016	0.54%	99.46%
WAI Pacific Ocean Perch 543	mt	70.020		-63.000	7.020							100.00%
CAI Pacific Ocean Perch 542	mt	39.420		-33.000	6.420							100.00%
EAI Pacific Ocean Perch 541	mt	41.220		-32.000	9.220							100.00%
Northern Rockfish	mt	N/A									N/A	N/A
Shortraker Rockfish	mt	N/A				0.005	0.024	0.032		0.061	N/A	N/A
Rougheye Rockfish	mt	N/A									N/A	N/A
BS Other Rockfish	mt	6.650		-3.000	3.650	0.029	0.093	0.052	0.162	0.336	9.21%	90.79%
AI Other Rockfish	mt	9.120			9.120							100.00%
Other Species	mt	408.000			408.000	182.881	162.474	55.819	92.574	493.748	121.02%	-21.02%
PSQ Reserve Category												
Zone 1 Red King Crab	ea	3398		-1,600	1,798		48			47.660	2.65%	97.35%
Zone 1 Bairdi Tanner Crab	ea	19110		-12,000	7,110	24	87	146	235	492.184	6.92%	93.08%
Zone 2 Bairdi Tanner Crab	ea	53460		-40,000	13,460							100.00%
Opilio Tanner Crab	ea	81563		-45,000	36,563							100.00%
Pacific Halibut (mortality)	mt	78.89		-40.000	38.890	1.861	4.638	1.500	5.313	13.312	34.23%	65.77%
Chinook Salmon	ea	305			305	246		209		455	149%	-49.16%
Non-Chinook Salmon	ea	441			441							100.00%

Pollock Target Fishery

Pollock Target Fishery Harvest Activity Fourth Quarter as of December 31, 2004								
CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (40%)	mt	8,339.200	8,332.615				8,332.615	39.969%
B Season (60%)	mt	12,508.800			12,515.243		12,515.243	60.031%
BS Pollock Total	mt	20,848.000	8,332.615	0.000	12,515.243	0.000	20,847.858	100.000%
Bycatch								
Pacific Cod	mt	2,953.970	49.585		16.471		66.056	0.317%
BS FG Sablefish	mt	89.900					0.000	0.000%
AI FG Sablefish	mt	65.100					0.000	0.000%
BS Sablefish	mt	7.980					0.000	0.000%
AI Sablefish	mt	4.680					0.000	0.000%
WAI Atka Mackerel 543	mt	9.000					0.000	0.000%
CAI Atka Mackerel 542	mt	9.940					0.000	0.000%
EAI/BS Atka Mackerel 541	mt	11.740	0.019		0.032		0.051	0.000%
Yellowfin Sole	mt	43.120	8.454		0.013		8.467	0.041%
Rock Sole	mt	57.250	26.085		0.082		26.167	0.126%
BS Greenland Turbot	mt	19.600			0.293		0.293	0.001%
AI Greenland Turbot	mt	1.400					0.000	0.000%
Arrowtooth Flounder	mt	58.000	0.191		1.745		1.936	0.009%
Flathead Sole	mt	95.000	8.484		3.925		12.409	0.060%
Other Flatfish	mt	28.500	8.753		0.078		8.831	0.042%
Alaska Plaice	mt	5.000	0.004		0.031		0.035	0.000%
BS Pacific Ocean Perch	mt	2.960					0.000	0.000%
WAI Pacific Ocean Perch 543	mt	7.020					0.000	0.000%
CAI Pacific Ocean Perch 542	mt	6.420					0.000	0.000%
EAI Pacific Ocean Perch 541	mt	9.220					0.000	0.000%
Northern Rockfish	mt	0.000					0.000	0.000%
Shortraker Rockfish	mt	0.000					0.000	0.000%
Rougheye Rockfish	mt	0.000					0.000	0.000%
BS Other Rockfish	mt	3.650			0.017		0.017	0.000%
AI Other Rockfish	mt	9.120					0.000	0.000%
Other Species	mt	408.000	8.946		4.082		13.028	0.062%
PSQ Reserve Category								
Zone 1 Red King Crab	ea	1,798					0	0.000
Zone 1 Bairdi Tanner Crab	ea	7,110					0	0.000
Zone 2 Bairdi Tanner Crab	ea	13,460					0	0.000
Opilio Tanner Crab	ea	36,563					0	0.000
Pacific Halibut (mortality)	mt	38.890	0.195		0.014		0.209	0.000
Chinook Salmon	ea	305	246		206		452	0.022
Non-Chinook Salmon	ea	441					0	0.000

Pacific Cod Target Fishery

Pacific Cod Target Fishery Harvest Activity Fourth Quarter as of December 31, 2004								
Species	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (60%)	mt	1,772.382	817.776	840.886			1,658.662	59.5%
B Season (40%)	mt	1,181.588			337.528	789.698	1,127.226	40.5%
Pacific Cod Total	mt	2,953.970	817.776	840.886	337.528	789.698	2,785.888	100.0%
Bycatch								
Non Pollock Quota	mt	N/A					0.000	0.00%
BS FG Sablefish	mt	89.900			2.464	0.058	2.522	0.09%
AI FG Sablefish	mt	65.100					0.000	0.00%
BS Sablefish	mt	7.980					0.000	0.00%
AI Sablefish	mt	4.680					0.000	0.00%
WAI Atka Mackerel 543	mt	9.000					0.000	0.00%
CAI Atka Mackerel 542	mt	9.940					0.000	0.00%
EAI/BS Atka Mackerel 541	mt	11.740	0.004		0.109	0.408	0.521	0.02%
Yellowfin Sole	mt	43.120	0.008	7.229	2.122	0.610	9.969	0.36%
Rock Sole	mt	57.250	2.145	0.422	0.325	0.505	3.397	0.12%
BS Greenland Turbot	mt	19.600	0.079		0.456	0.040	0.575	0.02%
AI Greenland Turbot	mt	1.400					0.000	0.00%
Arrowtooth Flounder	mt	58.000	3.323	2.571	8.982	2.670	17.546	0.63%
Flathead Sole	mt	95.000	5.722	4.339	4.204	2.966	17.231	0.62%
Other Flatfish	mt	28.500	0.489	0.035	0.008	0.409	0.941	0.03%
Alaska Plaice	mt	5.000					0.000	0.00%
BS Pacific Ocean Perch	mt	2.960			0.001	0.015	0.016	0.00%
WAI Pacific Ocean Perch 543	mt	7.020					0.000	0.00%
CAI Pacific Ocean Perch 542	mt	6.420					0.000	0.00%
EAI Pacific Ocean Perch 541	mt	9.220					0.000	0.00%
Northern Rockfish	mt	0.000					0.000	0.00%
Shortraker Rockfish	mt	0.000			0.032		0.032	0.00%
Rougheye Rockfish	mt	0.000					0.000	0.00%
BS Other Rockfish	mt	3.650		0.053	0.018	0.140	0.211	0.01%
AI Other Rockfish	mt	9.120					0.000	0.00%
Other Species	mt	408.000	173.934	162.445	51.737	92.564	480.680	17.25%
PSQ Reserve Category								
Zone 1 Red King Crab	ea	1798		48			47.660	1.71%
Zone 1 Bairdi Tanner Crab	ea	7110	24	87	146	235	492.184	17.67%
Zone 2 Bairdi Tanner Crab	ea	13460					0	0.00%
Opilio Tanner Crab	ea	36563					0	0.00%
Pacific Halibut (mortality)	mt	38.890	1.61	4.611	1.486	5.313	13.020	0.47%
Chinook Salmon	ea	305			3		3	0.11%
Non-Chinook Salmon	ea	441					0	0.00%

Bering Sea Sablefish Target Fishery

Bering Sea Sablefish Target Fishery Harvest Activity Fourth Quarter as of December 31, 2004								
CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
BS FG Sablefish	mt	89.900	6.679	24.651	8.915	18.781	59.026	100.0%
Bycatch								
Non Pollock Quota	mt	N/A					0.000	0.0%
Pacific Cod	mt	2,953.970	0.684	1.391	0.000	0.006	2.081	3.5%
AI FG Sablefish	mt	65.100					0.000	0.0%
BS Sablefish	mt	7.980					0.000	0.0%
AI Sablefish	mt	4.680					0.000	0.0%
WAI Atka Mackerel 543	mt	9.000						0.0%
CAI Atka Mackerel 542	mt	9.940						0.0%
EAI/BS Atka Mackerel 541	mt	11.740	0.013	0.013			0.026	0.0%
Yellowfin Sole	mt	43.120					0.000	0.0%
Rock Sole	mt	57.250					0.000	0.0%
BS Greenland Turbot	mt	19.600	0.090	1.633	0.185	0.405	2.313	3.9%
AI Greenland Turbot	mt	1.400						0.0%
Arrowtooth Flounder	mt	58.000	1.942	8.159	0.365	1.140		0.0%
Flathead Sole	mt	95.000						0.0%
Other Flatfish	mt	28.500		0.003		0.001		0.0%
Alaska Plaice	mt	5.000					0.000	0.0%
BS Pacific Ocean Perch	mt	2.960					0.000	0.0%
WAI Pacific Ocean Perch 543	mt	7.020					0.000	0.0%
CAI Pacific Ocean Perch 542	mt	6.420					0.000	0.0%
EAI Pacific Ocean Perch 541	mt	9.220					0.000	0.0%
Northern Rockfish	mt	0.000					0.000	0.0%
AI Northern Rockfish	mt	0.000					0.000	0.0%
Shortraker Rockfish	mt	0.000	0.005	0.024			0.029	0.0%
Rougheye Rockfish	mt	0.000					0.000	0.0%
BS Other Rockfish	mt	3.650	0.029	0.040	0.017	0.022	0.108	0.2%
AI Other Rockfish	mt	9.120					0.000	0.0%
Other Species	mt	408.000	0.001	0.029	0.000	0.010	0.040	0.1%
PSQ Reserve Category								
Zone 1 Red King Crab	ea	1798					0	0.0%
Zone 1 Bairdi Tanner Crab	ea	7110					0	0.0%
Zone 2 Bairdi Tanner Crab	ea	13460					0	0.0%
Opilio Tanner Crab	ea	36563					0	0.1%
Pacific Halibut (mortality)	mt	38.890	0.056	0.027			0.083	0.1%
Chinook Salmon	ea	305.000					0	0.0%
Non-Chinook Salmon	ea	441.000					0	0.0%

Aleutian Island Sablefish Target Fishery

Aleutian Islands Sablefish Target Fishery Harvest Activity Fourth Quarter as of December 31, 2004								
CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
AI FG Sablefish	mt	65.100			6.274		6.274	100.0%
Bycatch								
Non Pollock Quota	mt	N/A					0.000	0.0%
Pacific Cod	mt	2,953.970			0.005		0.005	0.1%
BS FG Sablefish	mt	89.900					0.000	0.0%
BS Sablefish	mt	7.980					0.000	0.0%
AI Sablefish	mt	4.680					0.000	0.0%
WAI Atka Mackerel 543	mt	9.000					0.000	0.0%
CAI Atka Mackerel 542	mt	9.940					0.000	0.0%
EAI/BS Atka Mackerel 541	mt	11.740					0.000	0.0%
Yellowfin Sole	mt	43.120					0.000	0.0%
Rock Sole	mt	57.250					0.000	0.0%
BS Greenland Turbot	mt	19.600					0.000	0.0%
AI Greenland Turbot	mt	1.400			0.292		0.292	4.7%
Arrowtooth Flounder	mt	58.000					0.000	0.0%
Flathead Sole	mt	95.000					0.000	0.0%
Other Flatfish	mt	28.500					0.000	0.0%
Alaska Plaice	mt	5.000					0.000	0.0%
BS Pacific Ocean Perch	mt	2.960					0.000	0.0%
WAI Pacific Ocean Perch 543	mt	7.020					0.000	0.0%
CAI Pacific Ocean Perch 542	mt	6.420					0.000	0.0%
EAI Pacific Ocean Perch 541	mt	9.220					0.000	0.0%
BS Northern Rockfish	mt	0.000					0.000	0.0%
AI Northern Rockfish	mt	0.000					0.000	0.0%
BS Shortraker/Rougheye Rockfish	mt	0.000					0.000	0.0%
AI Shortraker/Rougheye Rockfish	mt	0.000					0.000	0.0%
BS Other Rockfish	mt	3.650					0.000	0.0%
AI Other Rockfish	mt	9.120					0.000	0.0%
Other Species	mt	408.000					0.000	0.0%
PSQ Reserve Category								
Zone 1 Red King Crab	ea	1,798.000					0	0.0%
Zone 1 Bairdi Tanner Crab	ea	7,110.000					0	0.0%
Zone 2 Bairdi Tanner Crab	ea	13,460.000					0	0.0%
Opilio Tanner Crab	ea	36,563.000					0	0.0%
Pacific Halibut (mortality)	mt	38.890					0.000	0.0%
Chinook Salmon	ea	305.000					0	0.0%
Non-Chinook Salmon	ea	441.000					0	0.0%

Crab Target Fisheries

Crab Harvest Activity Fourth Quarter as of December 31, 2004												
CDQ Reserve Category	Units	Annual Allocation	Transfer In	Transfer Out	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	Percent Harvested	Remaining Allocation
Bering Sea C. <i>Opilio</i> (snow) Tanner crab	lbs	302,954		395	302,559	302,559				302,559	100.00%	0
Bering Sea C. <i>Bairdi</i> Tanner crab	lbs				0					0		
Bristol Bay Red King crab	lbs	204,056		303	203,753				203,753	203,753	100.00%	
Norton Sound Red King crab	lbs	13,250			13,250		13,025			13,025	98.30%	225
Pribilof Red & Blue King crab	lbs				0					0		
St Matthew Blue King crab	lbs				0					0		

Flatfish/Atka Mackerel CDQ Fishery December 31, 2004

2004 Flatfish / Atka Mackerel Pool Dec 31, 2004 BBEDC-CBSFA-CVRF-YDFDA				
Species	Total	CDQ Groups MT Harvested	MTs Remaining	% Remain
Pacific Cod	297.000	295.600	1.400	0.5%
BS Sablefish	41.000	19.331	21.669	52.9%
AI Sablefish	22.750	0.000	22.750	100.0%
WAI Atka Mackerel	842.500	831.725	10.775	1.3%
CAI Atka Mackerel	1,266.950	1,265.907	1.043	0.1%
EAI/BS Atka Mackerel	438.000	429.846	8.154	1.9%
Yellowfin Sole	4,092.000	4,084.253	7.747	0.2%
Rock Sole	1,384.500	494.719	889.781	64.3%
BS Greenland Turbot	64.800	2.888	61.912	95.5%
AI Greenland Turbot	29.000	12.913	16.087	55.5%
Arrowtooth Flounder	328.000	139.924	188.076	57.3%
Flathead Sole	529.100	179.694	349.406	66.0%
Other Flatfish	65.250	30.845	34.405	52.7%
Alaska Plaice	367.500	145.999	221.501	60.3%
BS Pacific Ocean Perch	45.580	0.271	45.309	99.4%
WAI Pacific Ocean Perch	205.950	204.034	1.916	0.9%
CAI Pacific Ocean Perch	111.850	97.259	14.591	13.0%
EAI Pacific Ocean Perch	111.300	107.968	3.332	3.0%
BS Other Rockfish	7.500	2.082	5.418	72.2%
AI Other Rockfish	14.940	6.770	8.170	54.7%
Other Species	N/A	N/A	N/A	N/A
Pollock				
Prohibited Species				
Zone 1 Red King Crab	5,050	174	4876	96.6%
Zone 1 Bairdi Tanner Crab	29,000	1665	27335	94.3%
Zone 2 Bairdi Tanner Crab	111,000	10748	100252	90.3%
Opilio Tanner Crab	125,000	0	125000	100.0%
Pacific Halibut	94.000	71.529	22.471	23.9%

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CDQ Transfers through December 31 , 2004

2004 YDFDA CDQ species transfers thru Dec. 31, 2004					Transfer Number 04-02 YD TO FROM BBEDC	Transfer Number 04-04 YD TO FROM BBEDC	Transfer Number YD-04-10 TO FROM BBEDC	Transfer Number YD-04-11 TO FROM BBEDC	Transfer Number YD-04-12 TO FROM NSED	Transfer Number YD-04-13 TO FROM APICDA	Transfer Number YD-04-15 TO FROM BBEDC	Transfer Number YD-04-17 TO FROM CVRF
CDQ Species					1/26/2004	3/2/2004	10/1/2004	10/19/2004	11/9/2004	11/11/2004	12/2/2004	12/28/2004
Species or Species Group	Units	Year to Date			NET Allocation							
		Transfers IN	Transfers OUT	NET								
BS Pollock	mt	20888.000	-40	20848.000			40					
Pacific Cod	mt	3070.970	-117	2953.970	120						33	30
BS FG Sablefish	mt	89.900		89.900								
AI FG Sablefish	mt	65.100		65.100								
BS Sablefish	mt	23.980	-16	7.980	16							
AI Sablefish	mt	12.180	-7.5	4.680	7.5							
WAI Atka Mackerel 543	mt	279.000	-270	9.000	270							
CAI Atka Mackerel 542	mt	419.940	-410	9.940	410							
EAI/BS Atka Mackerel 541	mt	151.740	-140	11.740	140							
Yellowfin Sole	mt	1743.120	-1700	43.120	1600							
Rock Sole	mt	707.250	-650	57.250	570			100				
BS Greenland Turbot	mt	40.600	-21	19.600	16			80				
AI Greenland Turbot	mt	11.400	-10	1.400	5		5					
Arrowtooth Flounder	mt	198.000	-140	58.000	140		5					
Flathead Sole	mt	285.000	-190	95.000	190							
Other Flatfish	mt	58.500	-30	28.500	30							
Alaska Plaice	mt	105.000	-100	5.000	75					25		
BS Pacific Ocean Perch	mt	16.960	-14	2.960	11			3				
WAI Pacific Ocean Perch 543	mt	70.020	-63	7.020	63							
CAI Pacific Ocean Perch 542	mt	39.420	-33	6.420	33							
EAI Pacific Ocean Perch 541	mt	41.220	-32	9.220	32							
Northern Rockfish	mt	N/A										
AI Northern Rockfish	mt	0.000										
Shortraker Rockfish	mt	N/A										
Rougheye Rockfish	mt	N/A										
BS Other Rockfish	mt	6.650	-3	3.650				3				
AI Other Rockfish	mt	9.120		9.120								
Other Species	mt	408.000										
PSQ Reserve Category	0	0										
Zone 1 Red King Crab	ea	3398	-1600	1798	1600							
Zone 1 Bairdi Tanner Crab	ea	19110	-12000	7110	12000							
Zone 2 Bairdi Tanner Crab	ea	53460	-40000	13460	40000							
Opilio Tanner Crab	ea	81563	-45000	36563	45000							
Pacific Halibut (mortality)	mt	78.89	-40	38.890	40							
Chinook Salmon	ea	305										
Non-Chinook Salmon	ea	441										
Halibut CDQ												
Halibut 4B	lbs	0	0									
Halibut 4C	lbs	0	0									
Halibut 4D	lbs	103200	0	103200								
Halibut 4E	lbs	0	0									
Crab CDQ												
Opilio	lbs	302954	-395	302559		395						
NS Red King Crab	lbs	13,250	0	0								
BB Red King Crab	lbs	204,056	-303	203753					303			
St Matt	lbs											
Prubolof	lbs											

B. CDQ Fishing Activities

Pollock – No fishing during the quarter.

Pacific Cod – The fishery continued with CDQ after the close of the open access season approximately December 5, 2004.

Sablefish – The Lisa Marie pot fished CDQ Sablefish after the end of BB King Crab Season in the Bering Sea. It was not economically feasible to fish in the Aleutian Islands.

Atka Mackerel/Flatfish – US Seafoods' vessels were fishing their combined CDQ allocations in the Yellowfin Sole fisheries during the 4th quarter.

Halibut – 100% of our CDQ allocation taken during the 3rd quarter.

Norton Sound Crab – No fishing during the quarter.

C. Compliance

There was no compliance issues of which we were aware during this quarter.

D. Other Fishing Issues/Activities

None